

§ 90.1003

forth in part 1, subpart Q, of this chapter will apply unless otherwise provided in this part.

§ 90.1003 Competitive bidding design for the 220 MHz service.

A simultaneous multiple round auction will be used to choose from among mutually exclusive initial applications for 220 MHz geographic area licenses, unless the Commission specifies otherwise by Public Notice prior to the competitive bidding procedure.

§ 90.1005 Competitive bidding mechanisms.

(a) *Sequencing.* The Commission will establish and may vary the sequence in which 220 MHz geographic area licenses are auctioned.

(b) *Grouping.* The Commission will determine which licenses will be auctioned simultaneously or in combination.

(c) *Minimum bid increments.* The Commission may, by public announcement before or during an auction, require minimum bid increments in dollar or percentage terms.

(d) *Stopping rules.* The Commission may establish stopping rules before or during an auction in order to terminate the auction within a reasonable time.

(e) *Activity rules.* The Commission may establish activity rules which require a minimum amount of bidding activity. In the event that the Commission establishes an activity rule in connection with a simultaneous multiple round auction, each bidder may request waivers of such rule during the auction. The Commission may, by public announcement either before or during the auction, specify or vary the number of waivers available to each bidder.

§ 90.1007 Withdrawal, default and disqualification payments.

The Commission will impose payments on bidders who withdraw high bids during the course of an auction, who default on payments due after an auction terminates, or who are disqualified. When the Commission conducts a simultaneous multiple round auction, payments will be calculated as set forth in §§ 1.2104(g) and 1.2109 of this chapter. When the amount of such a

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payment cannot be determined, a deposit of up to 20 percent of the amount bid on the license will be required.

§ 90.1009 Bidding application (FCC Form 175 and 175-S Short-form).

Each applicant to participate in competitive bidding for 220 MHz geographic area licenses must submit an application (FCC Forms 175 and 175-S) pursuant to the provisions of § 1.2105 of this chapter.

§ 90.1011 Submission of upfront payments and down payments.

(a) The Commission will require applicants to submit an upfront payment prior to the start of a 220 MHz Service auction. The amount of the upfront payment for each geographic area license auctioned and the procedures for submitting it will be set forth by the Wireless Telecommunications Bureau in a public notice in accordance with § 1.2106 of this chapter.

(b) Each winning bidder in a 220 MHz Service auction must submit a down payment to the Commission in an amount sufficient to bring its total deposits up to 20 percent of its winning bid within ten (10) business days following the release of a Public Notice announcing the close of bidding.

[63 FR 32591, June 12, 1998]

§ 90.1013 Long-form application (FCC Form 601).

Each successful bidder for a 220 MHz geographic area license must submit a long-form application (FCC Form 601) in accordance with part 1, subpart F of this chapter within ten (10) business days after being notified by Public Notice that it is the winning bidder. Regardless of the number of markets won, winning bidders will only be required to file a single application. Applications for 220 MHz geographic area licenses on FCC Form 601 must be submitted in accordance with § 1.2107 of this chapter, all applicable procedures set forth in the rules in this part, and any applicable Public Notices that the Commission may issue in connection with an auction. After an auction, the Commission will not accept long-form applications for 220 MHz geographic area licenses from anyone other than

the auction winners and parties seeking partitioned licenses pursuant to agreements with auction winners under § 90.1019 of this part.

[63 FR 68973, Dec. 14, 1998]

§ 90.1015 License grant, denial, default, and disqualification.

(a) Unless otherwise specified by Public Notice, auction winners are required to pay the balance of their winning bids in a lump sum within ten (10) business days following the release of a Public Notice establishing the payment deadline. If a winning bidder fails to pay the balance of its winning bids in a lump sum by the applicable deadline as specified by the Commission, it will be allowed to make payment within ten (10) business days after the payment deadline, provided that it also pays a late fee equal to five percent of the amount due. When a winning bidder fails to pay the balance of its winning bid by the late payment deadline, it is considered to be in default on its license(s) and subject to the applicable default payments. Licenses will be awarded upon the full and timely payment of winning bids and any applicable late fees.

(b) A bidder that withdraws its bid subsequent to the close of bidding, defaults on a payment due, or is disqualified, is subject to the payments specified in § 1.2104(g), § 1.2109, and § 90.1007 of this chapter, as applicable.

[63 FR 32591, June 12, 1998]

§ 90.1017 Bidding credits for small businesses and very small businesses.

(a) *Bidding credits.* A winning bidder that qualifies as a small business or a consortium of small businesses as defined in § 90.1021(b)(1) or § 90.1021(b)(4) may use a bidding credit of 25 percent to lower the cost of its winning bid. A winning bidder that qualifies as a very small business or a consortium of very small businesses as defined in § 90.1021(b)(2) or § 90.1021(b)(4) may use a bidding credit of 35 percent to lower the cost of its winning bid.

(b) *Unjust enrichment—Bidding credits.* (1) If a small business or very small business (as defined in §§ 90.1021(b)(1) and 90.1021(b)(2), respectively) that uti-

lizes a bidding credit under this section seeks to transfer control or assign an authorization to an entity that is not a small business or a very small business, or seeks to make any other change in ownership that would result in the licensee losing eligibility as a small business or very small business, the small business or very small business must seek Commission approval and reimburse the U.S. government for the amount of the bidding credit, plus interest based on the rate for ten year U.S. Treasury obligations applicable on the date the license was granted, as a condition of approval of the assignment, transfer, or other ownership change.

(2) If a very small business (as defined in § 90.1021(b)(2)) that utilizes a bidding credit under this section seeks to transfer control or assign an authorization to a small business meeting the eligibility standards for a lower bidding credit, or seeks to make any other change in ownership that would result in the licensee qualifying for a lower bidding credit under this section, the licensee must seek Commission approval and reimburse the U.S. government for the difference between the amount of the bidding credit obtained by the licensee and the bidding credit for which the assignee, transferee, or licensee is eligible under this section, plus interest based on the rate for ten year U.S. Treasury obligations applicable on the date the license was granted, as a condition of the approval of such assignment, transfer, or other ownership change.

(3) The amount of payments made pursuant to paragraphs (b)(1) and (b)(2) of this section will be reduced over time as follows: A transfer in the first two years of the license term will result in a forfeiture of 100 percent of the value of the bidding credit (or the difference between the bidding credit obtained by the original licensee and the bidding credit for which the post-transfer licensee is eligible); in year 3 of the license term the payment will be 75 percent; in year 4 the payment will be 50 percent; and in year 5 the payment will be 25 percent, after which there will be no assessment.

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